CINCINNATI BELL TELEPHONE COMPANY

Section 34 5th Revised Page 1 Cancels 4th Revised Page 1

VARIABLE TERM PAYMENT PLAN

A. GENERAL

- 1. The Variable Term Payment Plan (VTPP) is a payment plan which allows customers to pay a fixed rate for services over one of any currently available payment periods. A different monthly rate applies for the duration of each period. The monthly rate varies inversely with the length of the payment period, e.g., the monthly rate for a short period is greater than that for a long period.
- 2. The minimum period is 12 months, unless otherwise specified in product tariffs.
- 3. During the effective term of a customer's initial payment period, the monthly rate is not subject to Company-initiated changes.

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4. Unless specifically exempted, services furnished under the Variable Term Payment Plan are subject to all general regulations applicable to the provision of equipment and service by the Company as stated elsewhere in this and other tariffs.

B. TERMS AND CONDITIONS

- 1. Definitions
 - Downgrade

Changes for an installed service generally resulting in a decrease in capacity, capability and/or a lower monthly charge.

b. Initial Payment Period

The original term (12, 24, 36 or 60-month) that is selected by a customer when subscribing to a business service and which appears on the customers contract.

c. Payment Period

A period of time selected by the customer from among those currently offered by the Company, over which the customer agrees to pay a specified rate for a product and/or service.

d. Subsequent 12-Month Payment Period

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The 12-month automatic renewal payment periods that takes place after the customer's initial payment period expires.

Upgrade

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PUBLIC SERVICE COMMISSION Changes for installed services generally resulting in a higher monthly charge KENTUCKY **EFFECTIVE**

> 5/17/2005 PURSUANT TO 807 KAR 5:011

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Material now appearing on this page previously appeared on page 2.

D. Scott Ringo, Jr., Assistant Secretary, Cinc nnat

Executive Director

CINCINNATI BELL TELEPHONE COMPANY

Section 34 4th Revised Page 2 Cancels 3rd Revised Page 2

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VARIABLE TERM PAYMENT PLAN

B. TERMS AND CONDITIONS (Continued)

2. Regulations

- a. Application of Rates and Charges
 - 1. The monthly rate applicable at the time a customer subscribes to a service under the Variable Term Payment Plan is not subject to a Company initiated change during the initial payment period providing there are no customer initiated delays in the establishment of the subscribed for product or service.
 - 2. Monthly rate after the expiration of the initial and subsequent payment periods: (T)
 - For services installed prior to February 1, 2005, the monthly rate will revert to the tariffed month-to-month rates found in the specific product tariffs and will be subject to Companyinitiated changes.
 - b. For services installed on or after February 1, 2005, the monthly rate will not change but will be the same rate that the customer paid under their initial term agreement and may be subject to Company-initiated changes with a 60-day written notice to the customer during which time the customer shall have the right to terminate the agreement, without incurring termination charges. The rate adjustment would not exceed the tariffed rate.
 - 3. Nonrecurring charges are to be paid in full at the time of installation.
 - 4. In the event that all or any part of the service is disconnected at customer request prior to expiration of any selected payment period of greater than one month's duration, the customer will be required to pay termination charges as stated in the product tariffs.
 - 5. Rates and charges apply according to the appropriate schedules for products and services offered under the Variable Term Payment Plan, filed in this and other tariffs.

b Additions

If the customer wishes to make additions, the Customer may select, from those currently available in the tariff, a different payment period of equal or shorter length than the time remaining in the period selected for the existing service at the current filed rates for the selected period. The additions may then have a different expiration date than the existing service.

Material previously appearing on this page now appears on page 1. Material appearing on this page previously appeared on pages 3 and 4. PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE** 5/17/2005 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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CINCINNATI BELL TELEPHONE COMPANY

Section 34 2nd Revised Page 3 Cancels 1st Revised Page 3

Executive Director

				VARIABLE TERM PAY	MENT PLANS	(T)		
B.	TERMS AND CONDITIONS (Continued)							
	2. Regulations (Regulations) (Continued)							
		c. Upgrades						
		 Allowable upgrades to products offered by the Company are specified in the individual tariffs currently in effect for offerings under the Variable Term Payment Plan. 				(T)		
	 A customer who elects to upgrade an installed product may choose one of two options, unless therwise specified in the product tariffs: 				(T)			
	level applicable for the new service is that currently in effect for the payment period which the (T)				(T) (T) (T)			
	prior to the upgrade has been discontinued in the tariff, the new service will be billed at rates applicable for the next shorter payment period in the current tariff.)							
	 b. The new services may be billed over a currently available payment period of equal or shorter length than the time remaining in the existing payment period. Current rates apply for the selected payment period for the new services. Rates for services previously installed and continuing in service are unaffected. The expiration date of the new services is then either the (T) same as or earlier than that of the previously installed services. When the expiration date of the new service is earlier, the customer must select another payment period for the service according to the terms and conditions stated in the preceding paragraph at the time of expiration. 				(T) (T)			
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Vice President, Cincinnati, Ohio

CINCINNATI BELL TELEPHONE COMPANY

Section 34 4th Revised Page 4 Cancels 3rd Revised Page 4

VARIABLE TERM PAYMENT PLAN

- B. TERMS AND CONDITIONS (Continued)
 - 2. Regulations (Regulations) (Continued)
 - d. Downgrades
 - 1. Allowable downgrades for services are specified in product tariffs.
 - 2. A customer has the option to place any new service at the time of the downgrade on a coterminous payment period, unless otherwise specified in the product tariff. Rates for the new service are those currently in effect for the original payment period (or, if the period is no longer available, for the next shorter one). The rates for services remaining on the customer's premises after the downgrade will not be affected.
 - 3. When a coterminous payment period is not chosen for any new service, the customer must select a payment period of equal or shorter length than the time remaining in the current payment period. Current rates apply for the equal or shorter payment period. Services remaining on the customer's premises will continue being billed at the rates in effect prior to the downgrade. The new service may then have a different expiration date from the service which remained after downgrading.
 - 4. When the expiration dates differ, the customer must select a new payment period for the service (T) the time of expiration) added at the time when the system was downgraded.
 - e. Requests for Changes in Length of Initial Term Payment Period

Subsequent to the establishment of service for a service furnished under a Variable Term Payment Plan period and prior to the completion of that period, the existing payment period may be replaced by a currently offered payment period at the current rates, subject to the following conditions:

- 1. No credit will be given for payments made during the formerly selected period. However, nonrecurring charges will not be reapplied.
- 2. The new payment period begins with the date requested.
- 3. No termination charge applies provided the customer selects a new payment period equal to or longer than the time remaining under the former payment period. Otherwise, a termination charge applies for the former payment period.
- 4. The new payment period, selected for a component of a service Bust Gestal vid Gesta of Gentleth SSION the time remaining in the service's existing payment period. OF KENTUCKY

Material previously appearing on this page now appears on page 2. Material appearing on this page previously appeared on page 8. Material appearing on this page previously appeared on page 14.

EFFECTIVE 5/17/2005 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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CINCINNATI BELL TELEPHONE COMPANY

Section 34 3rd Revised Page 5 Cancels 2nd Revised Page 5

VARIABLE TERM PAYMENT PLAN

R	TERMS	AND	COND	ITIONS	(Continued)
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- 2. Regulations (Regulations) (Continued)
 - f. Renewal Options

The customer has the following renewal options:

- 1. Prior to completion of their present VTPP period and upon notification to the Company, a customer may renew for any payment period currently available under the VTPP. The rates will be those currently in effect for new customers at the time of renewal. The new payment period starts the day following completion of the prior payment period.
- 2. If customer does not choose a new term payment plan or terminate service prior to the completion (T) of the initial term or subsequent 12-month term(s):
 - a. For services installed prior to February 1, 2005, service may be continued on a month-to-month basis at the current rate for the one-month payment period, unless otherwise specified in product tariffs. The customer has no additional service commitment and, consequently, when service is terminated will not be subject to any termination charge. The one-month service will be subject to Company-initiated rate adjustments when approved by the appropriate regulatory authority.
 - b. For services installed on or after February 1, 2005, the customer's agreement will automatically renew for a 12-month period at the rate the customer is paying under their current agreement unless either party notifies the other in writing or verbally of its intention not to renew, at least 30 days before the end of the then-current term.

Early Contract Termination

Unless otherwise noted in individual product tariffs, if the customer terminates their service prior to expiration date of the term agreement, the customer will be required to pay early termination charges that equate to the monthly charges for the remainder of either the initial payment period or the

subsequent 12-month payment periods. If nonrecurring charges associated with the installation of the business services were waived, the customer will become liable for payment of the waived charges.

h. Supersedure

Service and equipment may be transferred to a new customer at the same location, upon prior written concurrence by the Company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of a transfer charge by the location of the company and payment of the product tariffs. The new customer will be subject to all provisions currently for the transfer of the subject to all provisions currently for the transfer of the subject to all provisions currently for the subject to all provisions currently **EFFECTIVE** agreement. (T)

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5/17/2005 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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CINCINNATI BELL TELEPHONE COMPANY

Section 34 2nd Revised Page 6 Cancels 1st Revised Page 6

VARIABLE TERM PAYMENT PLANS

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RESERVED

In addition this page reserves the following:

* In addition, this page reserves and cancels subsequent pages of this section as follows:

Reserves the following:	Cancels the following:
2nd Revised Page 7	1st Revised Page 7
3rd Revised Page 8	2nd Revised Page 8
3rd Revised Page 9	2nd Revised Page 9
5th Revised Page 10	4th Revised Page 10
4th Revised Page 11	3rd Revised Page 11
2nd Revised Page 12	1st Revised Page 12
2nd Revised Page 13	1st Revised Page 13
2nd Revised Page 14	1st Revised Page 14
2nd Revised Page 15	1st Revised Page 15
2nd Revised Page 16	1st Revised Page 16 (T)

Material previously appearing on this page now appears on page 3.

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Executive Director

Vice President, Cincinnati, Okw

CINCINNATI BELL TELEPHONE COMPANY

Section 34 1st Revised Page 7

OPTIONAL PAYMENT PLANS

A. VARIABLE TERM PAYMENT PLAN (Cont'd)

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G. Conversions

- 1. Conversions to installed systems are specified in product tariffs currently in effect for offerings under the Variable Term Payment Plan.
- 2. The service agreement for a currently installed system terminates when conversion occurs.
- 3. The customer must select a currently available payment period for the new system. The current rates for the chosen period would apply to any new equipment as well as to any remaining equipment from the previously installed system.
- 4. Termination charges will apply to all equipment removed prior to expiration of the selected payment period. Termination charges will not apply to any equipment remaining on the customer's premises for use in the new system provided the customer selects a new payment period equal to or longer than the time remaining under the former payment period.
- 5. Nonrecurring charges, as specified in product tariffs, will apply for the newly installed equipment. Nonrecurring charges will not apply to equipment remaining on the customer's premises and continuing in service in the new system.

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President, Cincinnati, Ohio

CINCINNATI BELL TELEPHONE COMPANY

Section 34 2nd Revised Page 8

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OPTIONAL PAYMENT PLANS

A. VARIABLE TERM PAYMENT PLAN (Cont'd)

H. Removals

- 1. Removal of equipment from a system for which the current payment period is longer than one month will not affect the expiration date of the remaining equipment and service.
- 2. a. Removal of equipment that is unique or identifiable by a code will be recognized through application of a termination charge for that specific unit.
 - b. Removal of equipment that is not unique or identifiable by a code, where two or more units of the same type of equipment are on the customer's premises, will be recognized through the on following provisions:
 - (1) The specific unit(s) of equipment no longer desired by the customer will be removed.

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 - (2) 'The lowest termination charge for the type coequipment, removed will apply.

Downgrades

- 1. Allowable downgrades for installed systems are specified in product tariffs.
- 2. A customer has the option to place any new equipment at the time of the downgrade on a coterminous payment period, unless otherwise specified in the product tariff. Rates for the new equipment are those currently in effect for the original payment period (or, if the period is no longer available, for the next shorter one). The rates for equipment remaining on the customer's premises after the downgrade will not be affected.
- 3. When a coterminous payment period is not chosen for any new equipment, the customer must select a payment period of equal or shorter length than the time remaining in the current payment period. Current rates apply for the equal or shorter payment period. Equipment remaining on the customer's premises will continue being billed at the rates in effect prior to the downgrade. The new equipment may then have a different expiration date from the equipment which remained after downgrading.

When the expiration dates differ, the customer must select a new payment period for the equipment (at the time of expiration) added at the time when the system was downgraded according to the terms and conditions in 1.2 above or this section.

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Section 34 2nd Revised Page 9

OPTIONAL PAYMENT PLANS

A. VARIABLE **TERM** PAYMENT PLAN (Cont'd)

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- _ <u>Downgrades</u> (Cont'd)
 - 4. Termination charges do not apply for equipment which becomes part of the downgraded system. Termination charges do apply for equipment removed in downgrading the system.
 - 5. Nonrecurring charges will apply to any equipment which must be added new to a system being downgraded, as enumerated in product tariffs.

J. Releases

- 1. New releases of software will be offered to a customer on Company initiative at no additional charge and will include improvements to the functional capacity of the software.
- 2. No charges apply to any hardware changes necessitated by a new release.

K. Versions

- 1. Termination charges do not apply for the removal or deletion of software versions, unless otherwise specified in product tariffs.
- 2. A new version may result in a higher monthly charge.
- 3. All version replacements requiring hardware changes will be tariff-enumerated, under specific product headings.

4. Appropriate charges will apply for hardware changes kees utting from version changes, as specified in C, E.5, E.7, F.5, EFF.6, VG.4, G.5 above and elsewhere in this and other tariffs.

L. Mooves of Equipment

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SECTION 9 (1).

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1. Moves of Equipment (Lapse-in-Service)

a: Within the Same Company and State

(1) The customer may arrange to have equipment and service moved within the same premises or to different premises leased or owned by the customer on a lapse-in-service basis at charges based on estimated costs without interruption or change of

Variable Term payments.

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FOR President, Cincinnati, Ohio

CINCINNATI BELL TELEPHONE COMPANY

Section 34 4th Revised Page 10

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OPTIONAL PAYMENT PLANS

- A. VARIABLE **TERM** PAYMENT PLAN (Cont'd)
 - L. Moves of Equipment (Cont'd)
 - 1. Moves of Equipment (Lapse-in-Service) (Cont'd)
 - a. <u>Within the Same Company and State</u> (Cont'd)
 - (2) Nonrecurring charges as specified in the tariff for equipment and services covered by the Variable Term Payment Plan will not be applicable. Initial Charges for the Exchange Tele-phone Services and other connecting services will be applicable at the new location.
 - (3) Billing for the original location will apply through the date service is disconnected. Billing for the new location will be effective on the next day. The first bill rendered after service is reestablished will contain advance billing and, if applicable, retroactive billing from the date of disconnect. Progression of the payment period will be unaffected.
 - (4) Complete arrangements or systems must be moved in lieu of individual components where components are dependent on host units for operation unless otherwise specified in product tariffs. Where components operate independently and are covered by individual tariff charges (such as data terminals), the customer may select components to be moved or terminated from the agreement, subject to any restriction(s) in product tariffs.

(5) (Reserved)

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1),

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CINCINNATI BELL TELEPHONE COMPANY

Section 34 1st Revised Page 10.1*

OPTIONAL PAYMENT PLANS

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1st Revised Page 10.2

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SECTION 9 (1)
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President, Cincinnati, Ohio

CINCINNATI BELL TELEPHONE COMPANY

Section 34 3rd Revised Page 11

OPTIONAL PAYMENT PLANS

- A. VARIABLE TERM PAYMENT PLAN (Cont'd)
 - L. Moves of Equipment (Cont'd)
 - 1. Moves of Equipment (Lapse-in-Service) (Cont'd)
 - b. <u>Between Exchanges of a Company in Different States or Between</u>
 <u>Bell Operating Companies in the Same or Different States</u>

Customer requests for lapse-in-service moves between exchanges of a Company in different states or between Bell Operating Companies in the same or different states will be provided under the same conditions as described above, in L.l.a., except as follows:

(1) Billing for the original location will apply through the date service is disconnected. Billing for the new location will be effective on the next day.

The rates in the new location will be those in effect for new customers. Rate stability against Company-initiated changes shall be provided at the new rates for the remainder of the customer's payment period.

The first bill rendered after service is reestablished will contain advance billing and, if applicable, retroactive billing from the date of disconnect. Progression of the payment periods will be unaffected.

Tariffs for the same service and payment periods must exist in both states or Companies at the time of the move. If tariffs exist for the same service, but the lengths of the periods available are different, the customer must select a payment period available in the new state or Company. The new period must be of an equal or longer length than the time remaining in the current selected period, subject to the conditions covered in "P. Requests for Changes in Length of Optional Payment Periods," following.

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DISTRICT MÁNAGER-DOCKET MANAGEMENT President, Cincinnati, Ohio

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CINCINNATI BELL TELEPHONE COMPANY

Section 34 1st Revised Page 12

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OPTIONAL PAYMENT PLANS

A. VARIABLE **TERM** PAYMENT PLAN (Cont'd)

- L. Moves of Equipment (Cont'd)
 - 2. Moves of Equipment (In-Service)

An in-service move under the plan will be considered a termination of service with applicable termination charges. The customer will be required to select a currently available payment period, including applicable nonrecurring charges.

M. Minor Equipment Modifications

Minor equipment modifications are identified in product-specific tariffs. The length of **the customer's existing** payment period is unaffected by these **modifications**. Ordinarily, minor eauipment modifications do not affect the customer's monthly bill. **Nonrecurring charges** as specified in product tariffs, will apply to each minor equipment modification.

N. Change of Tariff Jurisdiction

Under certain conditions involving changes in service, a Variable Term Payment Plan **customer's** service will require change of tariff jurisdiction for intrastate to interstate tariffs or vice-versa, even though the service location may not be changed.

The following provisions may apply to changes of tariff jurisdiction when the service location is not changed. However, the concepts may be used for reclassification of services at the time of a move.

 Billing for the original jurisdiction will apply through the date of jurisdiction change. Billing for the new jurisdiction will begin on the next day.

The rates applicable for the new jurisdiction will be those in effect for new customers. Customers changing serwice will know that stability against Company-initiated changes in the new furisdiction for the remainder of the payment period.

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CINCINNATI BELL TELEPHONE COMPANY

Section 34 1st Revised Page 13

OPTIONAL PAYMENT PLANS

A. VARIABLE TERM PAYMENT PLAN (Cont'd)

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- N. Change of Tariff Jurisdiction (Cont'd)
 - 2. Initial charges will not apply, either for the services subscribed to under the Variable Term Payment Plan or for connecting services, unless they are being installed at the time of the change in tariff jurisdiction of existing services. Service ordering charges will apply if stipulated by the tariff in the new jurisdiction.
 - 3. Tariffs for the same service and Variable Term Payment Plan periods must exist in both jurisdictions at the time of the change. If tariffs exist for the same service but the lengths of the payment periods in the new jurisdiction are different, the customer must select a new payment plan period with a length equal to or longer than the remaining time in the existing payment period, subject to the conditions covered in "P. Requests for Changes in Length of Optional Payment Periods," following.
- O. Two-Tier Transition to Variable Term Payment Plan (VTPP)
 - 1. Two-Tier termination charges will be waived for equipment remaining on the customer's premises after transition from the Two-Tier Payment Plan to the VTPP. The customer must elect a VTPP service period longer than one month to qualify for this waiver.
 - 2. Two-Tier termination charges will apply to any equipment removed from the customer's premises at the time of transition from the VTPP unless otherwise specified the transition of transition.
 - 3. Customers will be required to pay in full any deferred nonrecurring charges (including those contained in Tier A), when converting to VTPP from Two-Tier.
 - 4. The monthly license fee will be waived for versions remaining in the customer's system after transition from Two.-Ti& to VTPP
 - 5. Additions, upgrades, conversions, downgrades, and versions offered exclusively under VTPP will be available to existing Two-Tier Payment Pian customers only if they convert their systems to VTPP, unless otherwise specified in product tariffs.
 - Supersedure for a grandfathered Two-Tier system will be permitted only if the customer's entire system is transitioned to VTPP.
 - 7. The customer will be liable for payment of a \$31.80 charge for effecting transition.

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FOR

CINCINNATI BELL TELEPHONE COMPANY

Section 34 1st Revised Page 14

OPTIONAL PAYMENT PLANS

Α. VARIABLE TERM PAYMENT PLAN (Cont'd)

Requests for Changes' in Length of Optional Payment Period

Subsequent to the establishment of service for an equipment or service furnished under a Variable Term Payment Plan period and prior to the completion of that period, the existing payment period may be replaced by a currently offered payment period at the current rates, subject to the following conditions:

- No credit will be given for payments made during the formerly selected period. However, nonrecurring charges will not be reapplied.
- 2. The new payment period begins with the date requested.
- No termination charge applies provided the customer selects a new 3. payment period equal to or longer than the time remaining under the former payment period. Otherwise, a termination charge applies for the former payment period.
- The new payment period, selected for a system component must be equal to or shorter than the time remaining in that system's existing payment period.

0. Renewal Options

The customer has the following renewal options:

Prior to completion of their present VTPP payment period and upon 1. notification by the Company, a customer may renew for any payment period currently available under VTPP. The rates will be those currently in effect for new customers at the time of renewal. The new payment period starts the day following completion of the prior payment period. PUBLIC SERVICE COMMISSION

OF KENTUCKY EFFECTIVE

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CINCINNATI BELL TELEPHONE COMPANY

Section 34 1st Revised Page 15

OPTIONAL PAYMENT PLANS

A. VARIABLE TERM PAYMENT PLAN (Cont'd)

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- Q. Renewal Options (Cont'd)
 - 2. Service may be continued on a month-to-month basis at the current rate for the one-month payment period, unless otherwise specified in product tariffs. The customer has no additional service commitment and, consequently, when service is terminated will not be subject to any termination charge. The one-month service will be subject to Company-initiated rate adjustments when approved by the appropriate regulatory authority.
 - 3. If the customer does not renew for another VTPP payment period and does not request discontinuance of service, service will be continued at the monthly rate currently in effect for the one-month payment period under the terms described in Q.2 above.
 - 4. If the payment period expiration date for any equipment differs from the installed system's existing expiration date, the customer must choose a new payment period for that equipment (at the time of expiration) according to the terms and conditions as specified in E.3, E.4, F.2., 1.2, 1.3, and P.

R. Supersedure

Service and equipment may be transferred to a new customer at the same location, upon prior written concurrence by the Company and payment of a transfer charge by the new **customer** as specified in product tariffs. The new customer will be subject to all provisions currently reflected in the service agreement, except as otherwise specified in 0.6 above.

S. Suspension of Service

Temporary suspension of service, as provided elsewhere in this tariff, is not applicable to service furnished under the Variable Ferrence Payment Plan.

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CINCINNATI BELL TELEPHONE COMPANY

Section 34 1st Revised Page 16

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OPTIONAL PAYMENT PLANS

A. VARIABLE TERM PAYMENT PLAN (Cont'd)

T. Concession Service

Service and equipment furnished under the Variable Term Payment Plan is not eligible for discount in accord with provisions for concession service specified elsewhere in this tariff.

U. Failure of Service

In the event that a failure of service is of greater than 24 hours' duration, the Company's liability will be limited to a credit adjustment of monthly billing for the time "out-of-service," prorated on a per diem basis. A 30-day month will be assumed for purpose of proration. The expiration date of the payment period remains unchanged.

V. Prepayment

For payment periods longer than one month, the **customer** may prepay the recurring charges. The prepayment of charges in no way constitutes a purchase and the Company retains full ownership of all equipment covered by the prepayment. The following-conditions apply:

- Customers who prepay six months or more will have a credit allowance applied as specified by the Company in the Letter of Election at the time of prepayment.
- 2. At the customers option, a prepayment of all or part of the recurring charge(s) may be made when the service is established. Subsequent to establishment of service, however, only a prepayment of the total outstanding recurring charge(s) may be made for equipment on the same Letter of Election at the time of prepayment.
- 3. Equipment added subsequently and placed on the same Letter of Election with all or part of the equipment prepaid does not have to be prepaid. The customer has the option of prepaying for all or none of this additional equipment at the time of instal patrion SERVICE COMMISSION OF KENTUCKY
- 4. Customers who change the length of a prepaid payment will be credited any unused portion of the prepayment, subject to termination charges as specified in P.3. above.

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- 5. Customers who prematurely disconnect will have termination charges deducted from the prepaid amount and any balance predited to their bill.

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PUBLIC SERVICE COMMISSION MANAGER

President, Cincinnati, Ohio

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DOCKET MANAGEMENT

CINCINNATI BELL TELEPHONE COMPANY

Section 34 2nd Revised Page 17 Cancels 1st Revised Page 17

VARIABLE TERM PAYMENT PLANS

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RESERVED

In addition this page

Reserves the following:

1st Revised Page 18

1st Revised Page 19

1st Revised Page 20

1st Revised Page 21

1st Revised Page 22

1st Revised Page 23

1st Revised Page 24

1st Revised Page 25

1st Revised Page 26

1st Revised Page 27

PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE** 02/01/2005 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

005 Issued: December 30, 2005 **Executive Director**

Vice President, Cincinnati, Ohio